

## FISCAL NOTE

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 24, 1995

SUBJECT: **SB 300 - HB 1193**

This bill, if enacted, will increase the membership of the Prevailing Wage Commission from five to seven members.

Further, this bill, if enacted, will require the Prevailing Wage Commission to determine the wage rate for building construction annually instead of biennially.

The fiscal impact from enactment of this bill is estimated to be an increase in recurring state expenditures of \$22,000 for administration and \$1,014,750\* in additional expenditures to the Highway Fund as the result of higher wage cost being passed on to state construction projects.

\*Estimate based on the following:

\$205,000,000 in annual construction	
<b>x</b> <u>3.6%</u> average increase in prevailing wages	
\$7,380,000	
<b>x</b> <u>55%</u> portion of contracts representing labor costs	
4,059,000	
<b>x</b> <u>50%</u> assumes 50% of wages would be affected	
\$2,029,500	
<u>÷ 2</u> to obtain impact per year	
<u>\$1,014,750</u>	

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**SB 300 - HB 1193**

